

Ted Berry
Lower Kuskokwim School District
P.O. Box 305
Bethel, AK 99559-0305

Billed Entity Number: 145563
Form 471 Application Number: 486751
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2005-2006

May 07, 2009

Ted Berry
Lower Kuskokwim School District
P.O. Box 305
Bethel, AK 99559-0305

Re: Applicant Name: LOWER KUSKOKWIM SCHOOL DIST
Billed Entity Number: 145563
Form 471 Application Number: 486751
Funding Request Number(s): 1350619
Your Correspondence Dated: April 07, 2009

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2005 Commitment Adjustment Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1350619
Decision on Appeal: **Denied**
Explanation:

- The Commission's rules provide that, with one limited exception for existing, binding contracts, an eligible school, library, or consortium must seek competitive bids for all eligible services for support. The Commission's rules also state, "These competitive bid requirements apply in addition to state and local competitive bid requirements and are not intended to preempt such state or local requirements." The record shows that during an audit it was observed that Lower Kuskokwim School District (the District) did not follow the procurement policy set forth in its procurement manual. The District's procurement policy requires that contracts costing more than \$30,000.00 must be approved by the School Board prior to implementation. The record also shows that on September 20, 2006, USAC approved a pre-commitment amount of \$82,800.00 for Basic Maintenance of Internal Connections based on a contract signed by the District on

February 18, 2005. During the audit, the District failed to provide School Board meetings as evidence that the District sought contract approval from the Board to comply with state and local procurement requirements. On appeal, you did not provide any persuasive evidence that USAC erred in its decision to rescind funding. As USAC does not have authority to waive the FCC rules of the program, your appeal is denied.

USAC has determined that, at the time you submitted your FCC Form 471 application, you did not have a contract with your service provider(s), which meets your state and local or the FCC's definition of a contract. Additionally, the services you requested are not tariffed or month-to-month services. FCC rules require that applicants submit a completed FCC Form 471 "upon signing a contract for eligible services." See 47 C.F.R. sec. 54.504(c).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company